

Butzel Long

A PROFESSIONAL CORPORATION
ATTORNEYS AND COUNSELORS

ORIGINAL

WILLIAM N. BAXION
HAROLD A. HUNTERHART
STEPHEN A. BRODSKY
ROTHMAN MALMEI
ROBERT J. BATTISTA
FRANK B. VECCHIO
ALAN NACHMAN
WILLIAM R. RAIZ
KRAFER ORHAN
GEORGE H. ZINN JR.
C. PETER THEUT
JIM M. DUDLEY JR.
MICHAEL E. RASSEL
AGDA I. FRIEDMAN
EDWARD D. GOLD
ROBERT B. POSTER
PAUL I. TRIMSTRA
JACK O. KRAMATE
EDWARD M. KRONK
PHILIP J. REBELER
TIMOTHY E. ECKENHOF
GONALD S. MILLER
JOHN P. MANOOK JR.
JAMES C. STEWART
FREDERICK C. EUGENSON III
LEONARD F. CHARLA
T. GORDON SCUPPON M. II
JAMES D. BRIND
DAVID W. SOMMERFIELD
THOMAS B. RADON
DAVID W. BERRY
CARL HARRIS, III
D. STEWART GREEN
DENNIS B. SCHULTZ
MARK T. NELSON

DANIEL F. MALONE
KEITH A. BRIDGES
JUDITH B. KUMKO
MICHAEL D. GUECK
JAMES E. WYNN
MICHAEL J. LAVOFF
MICHAEL F. COLAS
EDWARD M. KALINKA
GORDON J. WALKER
JAMES L. MUMBER
ARTHUR DUDLEY II
E. WILLIAM S. SHIPMAN
RICHARD P. SABLON
GORDON W. DIDIER
DENNIS K. EGAN
DAVID L. EENDEK
TERRY D. LANE
STEVEN D. WEYING
LYNNE E. DEITCH
DANIEL B. TUKEL
MARILYN F. POLLOCK
SUSAN GARIO NYSTROM
ALAN S. LEVINE
LEONARD N. NIEMOFF
CAROL A. DEWITT
DAVID H. CERNANN
JAMES Y. STEWART
ERIC J. PLESSLAND
LYNN A. SIEGERT
ROBERT A. BOONIN
SHELDON R. KLEIN
ANDREA MUMMELL DICKSON
MELVIN J. HOLLOWELL JR.
J. MICHAEL HUELT
ANTHONY J. SAUBINO, JR.

DETROIT OFFICE
SUITE 900 150 WEST JEFFERSON
DETROIT, MICHIGAN 48226-4430
(313) 226-7000 FAX (313) 225-7080

BIRMINGHAM OFFICE
SUITE 200 32270 TELEGRAPH ROAD
BIRMINGHAM, MICHIGAN 48026-2457
(810) 258-1616 FAX (810) 258-1438

LANSING OFFICE
118 WEST OTTAWA STREET
LANSING, MICHIGAN 48933
(313) 372-6622 FAX (313) 372-6672

ANN ARBOR OFFICE
SUITE 400 121 WEST WASHINGTON
ANN ARBOR, MICHIGAN 48104-1345
(313) 985-3110 FAX (313) 985-1777

GROSSE POINTE FARMS OFFICE
SUITE 260 21 KERCHEVAL
GROSSE POINTE FARMS,
MICHIGAN 48236-3601
(313) 886-5448 FAX (313) 886-2114

JAMES S. ROSENFIELD
CLARA DEMATTEIS MAGER
PATRICK A. KARBOWSKI
RONALD E. REYNOLDS
KENNETH M. ADAMCZYK
JORDAN B. SCHREIB
KATHERINE B. ALBRECHT
DAVID K. TILMAN
PHILIP C. KOROVOSKI
RICHARD T. NEWLETT
ROBERT P. PERRY
MICHAEL R. POTERAKA
NICHOLAS J. STABEVICH
SUSAN K. FRIEDLAENDER
JAMES J. LEBAN
LELAND R. ROSSER
LAURA M. NIEBER
DANIEL R. W. RUSTMANN
EUGENE H. BOYLE JR.
DEBRA AUERBACH CLEPHANE
TIMOTHY M. LABADIE
PAUL S. LEWANDOWSKI
SUSAN HAY/MUS NICKER
ELIZABETH A. DIMOULHELLE
ROBERT E. NORTON I
JAMES J. GROSZAK
LOIS E. WALKER
SHEPPI A. KHAUSE
ROBIN K. LUCE
PATRICIA BRIART NESSEL
BARBARA L. MCKLAID
LAURIE J. MICHELBON
HERBERT C. DONOVAN
CARIDAD PASTOR-KUJORN
TIMOTHY E. GALLIGAN

WENDEL VINCENT HALL III
JOSEPH M. ROGOWSKI II
JOHN C. BLATTNER
ANTONETTE M. PILZNER
LAURIE C. ENDRELY
REGAN K. STONE

COUNSEL
OSCAR M. FELDMAN
DAVID F. DANKOWITZ, P.C.

OFFICE COUNSEL
GEORGE E. BRAND, JR.
SIDNEY L. COHN
BARLENE M. DOMANIK
DAVID N. DACKIN
JOHN J. KUMH
WILLIAM A. PENNER JR.
ROBIN E. PHILLIPS
ERWIN E. SIMON
MALCOLM J. BUTHEPLAND

INTERNATIONAL PRACTICE ADVISOR
AKIRA KAWA

CONSULTING COUNSEL
DOUGLAS G. GRAHAM
JOHN P. WILLIAMS
JOHN B. WEAVER

*ADMITTED TO PRACTICE ONLY
IN ONTARIO, CANADA

Lansing Office
April 14, 1997
EX PARTE OR LATE FILED

RECEIVED

APR 14 1997

Federal Communications Commission
Office of Secretary

WRITTEN EX PARTE PRESENTATION RESPONSE

William F. Caton, Acting Secretary
Federal Communications Commission
1919 M Street, N.W., Room 222
Washington, DC 20554

Re: CC Docket No. 96-128
Ameritech CEI Plan for Pay Telephone Service

Dear Mr. Caton:

This firm represents Michigan Pay Telephone Association ("MPTA"), an incorporated nonprofit trade association representing the interests of independent payphone service providers in the State of Michigan. We have received a copy of Ameritech's Written Ex Parte Presentation dated April 10, 1997 regarding the Ameritech CEI Plan for Pay Telephone Service. Ameritech's Ex Parte Presentation was filed in response to Paragraph 22 of the FCC's Clarification and Waiver Order in CC Docket No. 96-128, released April 4, 1997.

The purpose of the Ex Parte Presentation is to advise the FCC as to the status of intrastate tariffs for the features and functions Ameritech has not yet Federally

No. of Copies rec'd
List ABCDE

041

April 14, 1997

Page two

tariffed, and to commit to filing Federal tariffs for such features and functions within 45 days after April 4, 1997. Submission of the Ex Parte Presentation is a prerequisite to the FCC's acting on Ameritech's proposed CEI Plan.

MPTA has several concerns with Ameritech's Ex Parte Presentation. First, while Ameritech has provided both an IPP coin line and a COPT service line (called an IPP Service Line in Michigan), several of the conditions of those lines defeat the purpose of having an IPP coin line available. For example, several of the coin related features that Ameritech provides to its own coin lines are made available only when ordering an IPP coin line. The IPP coin line is not really an IPP line. Ameritech offers two lines for dumb payphones, one that is the LEC's coin line camouflaged to look as though it is a usable IPP service called the IPP coin line, and the other known as ProfitMaster, which is high priced and bundles unnecessary features, and has not been tariffed. Moreover, many of these functions contain restrictions on use that are discriminatory. See the attached letter and memorandum the MPTA has recently provided to the Michigan Public Service Commission for a broader discussion of these restrictions. Ameritech knows full well that these discriminatory features render the IPP coin line service impractical for the vast majority of payphone service providers because they have smart payphones. Limiting coin related functions to the IPP coin line as a practical matter makes those functions unavailable to many payphone service providers in Michigan.

Several features bundled together with the IPP coin line, such as coin control features, are desirable to COPT line customers, but Ameritech will not allow those features to be used with smart payphones.

For those payphone service providers that can use an IPP coin line, certain anticompetitive restrictions apply. Ameritech requires that rates, with the exception of local calls, must be the same as charged by Ameritech coin. Even the local calls only allow the payphone service provider to set the initial period deposit, meaning a payphone service provider cannot time a local call. The IPP coin line tariff requires that Ameritech will handle operator service calls, or an authorized IXC with necessary coin control circuitry so long as Ameritech end user rates are applied. Ameritech requires that it set the rates for directory assistance. Finally, Ameritech requires that payphone service providers route interLATA calls only through IXCs with coin signaling capabilities, although Ameritech can choose any IXC (as is commonly done by Ameritech through its public payphone presubscription). These conditions on the IPP coin line in many cases render it a nullity, and restrict its use in a discriminating manner in that the conditions do not restrict Ameritech's coin operations. Ameritech's federal tariffs, when filed, should eliminate such restrictions or the IPP coin line service will be a sham rather than a true competitive offering.

MPTA also has concerns with respect to the features related to the IPP coin line in the current FCC tariff. First, it is uncertain whether all of the listed services will be available to both types of lines and with ProfitMaster and priced based on cost. Second, while Ameritech indicates that answer supervision will be available to more than feature group A customers, no indication is made as to the rate involved. The current rate available to feature group A customers may not be cost justified or nondiscriminatory when made available. The FCC should require Ameritech to file cost justification for this feature when it makes the feature available to payphone service providers.

Ameritech's presentation also lists call screening from its tariff. That tariff also appears to limit the availability of call screening to feature group A customers, which means the feature may not be available to order with either type of payphone line or with ProfitMaster. If not, Ameritech should be required to make call screening available to IPP coin lines, COPT lines, and ProfitMaster. It should be made available at the same rate for all types of lines, and the rate must be cost justified.

Ameritech indicates that it will tariff its ProfitMaster service with the FCC. While Ameritech has indicated that service is available, it has never been tarified in Michigan. Staff of the Michigan Public Service Commission has indicated that Ameritech does not believe ProfitMaster should be tarified at the state level. As the service provides an added function to payphone lines, it should be tarified at both the state and federal levels.

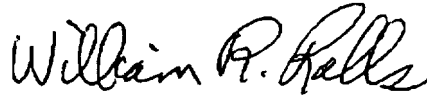
Ameritech's presentation also indicates that the application of special signaling ("SIT") tones to certain specific "no answer" situations has not changed. That is not consistent with the experience of MPTA members who have had trouble with the implementation of SIT tones. When a problem occurs, and Ameritech is told of the problem, the PSP is often told to purchase answer supervision, and no action is taken to correct the problem.

Finally, it should be noted that Ameritech has not filed new tariffs for any coin functionalities in Michigan, instead relying on pre-existing tariffs, nor has Ameritech filed any cost support information under the new services test. Thus, while Ameritech represents to the FCC that all of these features are available, at the state level Ameritech does nothing to comply with the cost justification and nondiscrimination requirements required by the Act or the FCC's payphone orders. At this time the Michigan Public Service Commission has requested additional information from Ameritech in response to inquiries made by MPTA. A copy of the MPSC's letter requesting additional information is attached for the FCC's information.

April 14, 1997
Page four

Allowing the LECs to proceed with the CEI Plan before they have fully complied with the Order on Reconsideration is not in line with the purpose of the Telecommunications Act of promoting the widespread deployment of payphones and of promoting competition. To the contrary, it will create hardship and will exacerbate the problem that Congress intended to correct by allowing the LECs to pick the interLATA carrier on their payphones and to receive payphone compensation while still discriminating against independent payphone service providers.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "William R. Ralls". The signature is fluid and cursive, with the first name "William" being the most prominent.

William R. Ralls
Leland R. Rosier

cc: Christopher Heimann
Michael Pryor
Michael Pabian
Michael W. Ward, John F. Ward, Jr., Henry T. Kelly
Richard E. Aikman
Albert Kramer, Robert Aldrich
Michael P. Erhard
Andrew Phillips
Ava B. Kleinman, Mark C. Rosenblum, Seth S. Gross



MICHIGAN PAY TELEPHONE ASSOCIATION

121 E. ALLEGAN, SUITE 5
LANSING, MI 48933
517-374-6320
517-374-7664 FAX

Lansing Office
April 2, 1997

Hon. John G. Strand, Chairman
Hon. John C. Shea, Commissioner
Hon. David A. Svanda, Commissioner
Michigan Public Service Commission
6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909

Re: Ameritech Michigan Tariffs for IPP Service

Dear Commissioners:

As you know, the Michigan Pay Telephone Association (MPTA), of which I am the President, represents the interests in competition of the independent pay telephone provider (IPP) industry. The MPTA has grave concerns about Ameritech Michigan's failure to comply with tariff requirements set forth in the Federal Communications Commission's payphone orders. Ameritech Michigan's noncompliance has the ultimate result of reducing competition in the payphone service area, and is costing money to consumers of payphone services in Michigan. I am writing to make the Commission aware of Ameritech Michigan's noncompliance, to explain why these actions are not in compliance, and to request that this Commission take action delegated to it by the FCC to assure that Ameritech Michigan comes into compliance.

Enclosed with this letter is a memorandum explaining Ameritech Michigan's utter failure to comply with the FCC tariffing requirements. This memo also sets forth the failure of Ameritech Michigan to provide cost support for the rates charged to IPPs, and the discriminatory practices included in Ameritech Michigan's general practice.

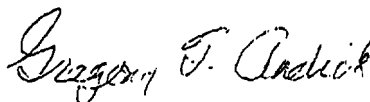
For the reasons given in the attached memorandum, MPTA requests that the Commission:

1. Initiate an investigation into Ameritech Michigan's IPP service tariff, IPP coin line tariff, and LEC coin services tariff, and require Ameritech Michigan to file a tariff that complies with the MTA, section 276 of the Federal Telecommunications Act of 1996 and the FCC's Report and Order, as modified by the Order on Reconsideration, to be effective by April 15, 1997.

2. Under paragraph 131 of the Order on Reconsideration, LECs such as Ameritech Michigan must, among other things, certify that they have in effect an intrastate tariff for basic payphone services for "dumb" and "smart" payphones, and for unbundled functionalities associated with those lines, that meets the criteria of paragraph 163 of the Reconsideration Order and Section 276 requirements. In other words, Ameritech Michigan must have compliant tariffs in order to make the certification required under paragraph 131 of the Reconsideration Order. Accordingly, this Commission should notify the FCC that Ameritech Michigan is not able to make the paragraph 131 certification at this time, and cannot make it until it files a tariff in compliance with section 276 and paragraph 163 of the Reconsideration Order.

Thank you for considering these actions. Due to the limited timetable, I and other members of MPTA would appreciate the opportunity to meet with the Commission as soon as possible to assist you in determining the best course of action. We will contact you to seek an appointment.

Very truly yours,

A handwritten signature in cursive script, reading "Gregory T. Andrick".

Gregory T. Andrick
President, MPTA

cc: William Celio
Bart Lewin

TO: Michigan Public Service Commissioners

FROM: Michigan Pay Telephone Association

DATE: April 2, 1997

RE: Ameritech Michigan Tariffs For IPP Service

This memorandum outlines the failure of Ameritech Michigan to file IPP tariffs in Michigan that conform with the requirements of the MTA, with the requirements established by Congress in the Federal Telecommunications Act of 1996, or with the requirements established in the recent rulemaking proceeding of the FCC.

The federal references in this memorandum are to the implementation of the pay telephone reclassification and compensation provisions of the Telecommunications Act of 1996, Common Carrier docket # 96-128, Report and Order FCC 96-388, released September 20, 1996. This is what is referred to as the Report and Order. The second document is the Order of Reconsideration FCC #96-439, released November 8, 1996. This is the Order referred to as the Reconsideration Order.

Section 318 of the MTA, as amended, provides:

- (1) A provider of basic local exchange service shall not discriminate in favor of its or an affiliate's payphone service over similar services offered by another provider.
- (2) A provider of payphone service shall comply with all nonstructural safeguards adopted by the federal communications commission for payphone service.

Thus, under state law, Ameritech's tariffs for IPP service, IPP coin line service, and coin service must be nondiscriminatory. Ameritech must also comply with all FCC nonstructural safeguards.

In addition to the state law requirements, Paragraph 146 of the FCC's Report and Order and paragraph 163 of the Reconsideration Order require incumbent LECs to offer individual central office coin transmission services to payphone service providers under nondiscriminatory, public, tariffed offerings if the LECs provide those services for their own operations. These offerings from LECs to the payphone service provider must be provided on an unbundled basis, and their tariffs were required to be filed at the FCC by January 15, 1997. Under paragraph 163 of the Reconsideration Order, the FCC indicated that it would rely on the States to ensure that the basic payphone line is tariffed by the LECs in accordance with the requirements of Section 276 of the Federal Telecommunications Act. These tariffs on the State level must be filed and effective no later than April 15, 1997. For your convenience, what follows is the verbatim language of paragraph 163 of the Reconsideration Order.

163. We require LECs to file tariffs for the basic payphone services and unbundled functionalities in the intrastate and interstate jurisdictions as discussed below. LECs must file intrastate tariffs for these payphone services and any unbundled features they provide to their own payphone services. The tariffs for these LEC payphone services must be: (1) cost based; (2) consistent with the requirements of Section 276 with regard, for example, to the removal of subsidies from exchange and exchange access services; and (3) nondiscriminatory. States must apply these requirements and the Computer III guidelines for tariffing such intrastate services.⁴⁹² States unable to review these tariffs may require the LECs operating in their state to file these tariffs with the Commission. In addition, LECs must file with the Commission tariffs for unbundled features consistent with the requirements established in the Report and Order.⁴⁹³ LECs are not required to file tariffs for the basic payphone line for smart and dumb payphones with the Commission. We will rely on the states to ensure that the basic payphone line is tariffed by the LECs in accordance with the requirements of Section 276. As required in the Report and Order, and affirmed herein, all required tariffs, both intrastate and interstate, must be filed no later than January 15, 1997 and must be effective no later than April 15, 1997. Where LECs have already filed intrastate tariffs for these services, states may, after considering the requirements of this order, the Report and Order, and Section 276, conclude: 1) that existing tariffs are consistent with the requirements of the Report and Order as revised herein; and 2) that in such case no further filings are required. We delegate authority to the Common Carrier Bureau to determine the least burdensome method for small carriers to comply with the requirements for the filing of tariffs with the Commission, such as those suggested by NTCA.

⁴⁹² The new services test required in the Report and Order is described at 47 C.F.R. Section 61.49(g)(2). See also Amendments of Part 69 of the Commission's Rules Relating to the Creation of Access Charge Subelements for Open Network Architecture, CC Docket No. 89-79, 6 FCC Rcd 4524, 4531(1991) at paras. 38-44.

⁴⁹³ Report and Order at para. 146-148.

It is my understanding that Ameritech has not filed a proposed tariff involving services to IPPs, and that Ameritech Michigan appears to be relying on the IPP tariffs filed in 1996 as already complying with paragraph 163. This tariff is Ameritech's tariff MPSC no. 20 R, Part 13, Section 2, Sheets 1-19.

Under Paragraph 163, the Commission may, after considering the requirements of this order (the Reconsideration Order), the Report and Order, and Section 276¹, accept a pre-existing tariff, but only if that tariff is in compliance. In order to be in compliance, the tariff must be:

- (1) cost based;
- (2) consistent with the requirements of Section 276 with regard, for example, to the removal of subsidies from exchange and exchange access services; and
- (3) nondiscriminatory.

There is no indication that Ameritech Michigan's tariff meets any of these criteria, let alone all three. Consequently, there is no basis on which Ameritech Michigan can rely on the pre-existing IPP tariff to comply with paragraph 163 of the Reconsideration Order, and no basis on which Ameritech Michigan can expect the Commission to conclude that the pre-existing tariffs are in compliance, or that no further filings are required.

Ameritech Michigan's IPP tariff does not comply with section 276 of the Federal Telecommunications Act of 1996, the provisions of the Report and Order, or the three criteria set forth in paragraph 163 of the Reconsideration Order. What follows is a list of just some of the reasons why Ameritech Michigan's tariff is not in compliance.

1. IPP Tariffs must be cost based, per paragraph 163 of the Reconsideration Order. However, there is no reason to believe that Ameritech's IPP coin line tariff is cost based.

- a) There is no cost support filed with the tariff;
- b) There has been no cost study undertaken to our knowledge to validate the cost justification;
- c) There is language in the IPP coin line tariff (Sheet 17, Paragraph C.13) which is vague and seems to indicate that this is a flat rate price which includes local messages, directory assistance,

¹ The text of Section 276(a) provides as follows:

"SEC. 276. PROVISION OF PAYPHONE SERVICE.

"(a) Nondiscrimination Safeguards. -- After the effective date of the rules prescribed pursuant to subsection (b), any Bell operating company that provides payphone service --

"(1) shall not subsidize its payphone service directly or indirectly from its telephone exchange service operations or its exchange access operations; and

"(2) shall not prefer or discriminate in favor of its payphone service."

intraLATA toll, and service charges. It is not possible for the \$7.20 difference over the IPP service tariff to cover these additional services.

- d) Even if the flat rate price language in C(13) is merely a typographical error in the tariff, there is no reason to believe that the \$7.20 charge covers the cost of all of the additional central office features supplied to the IPP coin line.

2. IPP Tariff provisions must be non-discriminatory per Section 276(a)(2) and paragraph 163 of the Reconsideration Order. However, Ameritech Michigan's IPP coin line tariff is most definitely a discriminatory tariff in favor of Ameritech's coin division.

- a) The IPP coin line tariff includes coin supervision. However, the IPP service tariff does not make this feature available. This makes the feature unusable for the vast majority of IPP payphones that require IPP service rather than IPP coin line service. In addition, coin supervision is not made available on an unbundled basis. It is bundled with IPP coin line service only. This service must be made available on an unbundled cost-based basis.
- b) The IPP coin line tariff includes coin control. However, the IPP service tariff does not make this feature available. This makes the feature unusable for the vast majority of IPP payphones that require IPP service rather than IPP coin line service. This feature is not made available on an unbundled basis. This is discriminatory. This service must be made available on an unbundled, cost-based basis.
- c) The IPP coin tariff in sheet 16, paragraph c, number 3, states that the rates, with the exception of local calls, will be the same as those charged by Ameritech coin. This prevents IPPs choosing an IPP coin line from setting their own rates for service, while Ameritech remains free to set its own rates. IPP coin line rates must be set by the IPP to be non-discriminatory. The IPP coin line rates must be set by the IPP in order to foster the competition contemplated by the Telecommunications Act.
- d) The IPP coin tariff in sheet 16, paragraph c, number 3, states that coin sent paid local calls will be controlled by the IPP. This statement is false. The initial period deposit is set at the coin telephone. This provides only that IPPs may set an untimed local call rate to their preference. In the event that an IPP wishes to time a local call, this is not possible. In the event that Ameritech chooses to implement a timed local call, the IPP could only set the

initial coin drop. The IPP coin line controls the initial time period as well as the subsequent time periods and deposit amounts.

- e) The IPP coin tariff at sheet 16, paragraph c, number 4, states that Ameritech will carry the intraLATA calls. This is a discriminatory tying arrangement, and a direct violation of Section 276(b)(1)(E) of the Federal Act. The IPP coin tariff must allow interconnection to the IPP's carrier of choice, without coin control circuitry.
- f) The IPP coin tariff at sheet 16, paragraph c, number 5, states that Ameritech will handle operator service calls, or an authorized IXC with necessary coin control circuitry, but requires that Ameritech end user rates be applied. This is a discriminatory tying arrangement, and a direct violation of Section 276(b)(1)(E) of the Federal Act.. The IPP coin line must allow interconnection to the IPP's operator services provider of choice without the need for coin control circuitry (*i.e.*, "behind" the switch, not in front of it).
- g) The IPP coin tariff at sheet 16, paragraph c, number 6, states that Ameritech will set the rates for directory assistance. This is a discriminatory tying arrangement, and a direct violation of Section 276(b)(1)(E) of the Federal Act. The IPP must have the flexibility to set independent rates for directory assistance. This is necessary in order to foster the competition contemplated by the Telecommunications Act.
- h) The IPP coin tariff at sheet 17, paragraph c, number 10, states that interLATA calls may be routed by any IXC that has coin signaling capabilities. This is a discriminatory provision. This interconnection needs to occur on the "back" side of the switch (the IXC interface) rather than the "front" side (before Ameritech's switched coin signaling). This would enable the IPP to choose any IXC to handle interLATA traffic, just as Ameritech can, and would therefore foster the competition contemplated by the Act.
- i) The IPP coin tariff at sheet 17, paragraph c, number 11, states that the IPP coin line service is only available from appropriately equipped central offices. This is a discriminatory provision. The IPP coin line must be available at all central offices. Ameritech has at least one of its own coin telephones in every exchange in Michigan in which they serve, per Michigan Law. They must, therefore, offer IPP coin line service in every exchange in order to be non-discriminatory.

3. Discriminatory acts outside the tariff.

- a) Screen codes. Ameritech provides a different and unique code to their payphones, while IPPs are forced to share a screening code with other classes of service. This allows Ameritech greater fraud protection on its lines than is made available to IPPs, and increases administrative costs for IPPs.
- b) OSP revenue sharing. Ameritech is inputting or paying its coin division operator service revenues at a higher level than is made available to IPPs. This is exacerbated in the IPP coin line service tariff, which requires IPPs to charge the Ameritech end user charges, and denies IPPs the ability to competitively bid services.
- c) Ameritech has not, to our knowledge, properly accounted for the imbedded equipment and contracts that it is required to remove from its local service operations.
- d) Ameritech allows itself to select Ameritech as the intraLATA service for its payphones, but does not allow IPPs to select an intraLATA carrier other than Ameritech.

It is clear from the above list that Ameritech Michigan's existing tariff is not in compliance with federal law, and that the FCC has expressly delegated the authority to the states to determine and enforce compliance. The existing tariff predates the Federal law and the FCC rulemaking, and clearly does not comply with either.

In light of these considerations, we request that the Commission do the following:

1. Initiate an investigation into Ameritech Michigan's IPP tariff, and require Ameritech Michigan to file a tariff in compliance with section 276 of the Federal Telecommunications Act of 1996 and the FCC's Report and Order, as modified by the Order on Reconsideration, to be effective by April 15, 1997.

2. Under paragraph 131 of the Order on Reconsideration, LECs such as Ameritech Michigan must, among other things, certify that they have in effect an intrastate tariff for basic payphone services for "dumb" and "smart" payphones, and for unbundled functionalities associated with those lines, that meets the criteria of paragraph 163 of the Reconsideration Order and Section 276 requirements. In other words, Ameritech Michigan must have compliant tariffs in order to make the certification required under paragraph 131 of the Reconsideration Order. Accordingly, this Commission should notify the FCC that Ameritech Michigan is not able to make the paragraph 131 certification at this time, and cannot make it until it files a tariff in compliance with section 276 and paragraph 163 of the Reconsideration Order.



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

Public Service Commission

6545 Mercantile Way
P.O. Box 30221
Lansing, MI 48909-7721
517-334-6445

Commissioners

John G. Strand
John C. Shea
David A. Svanda

April 3, 1997

Ameritech
Paul La Schiazza
6425 South Pennsylvania, Ste. 5
Lansing, Michigan 48911

Dear Paul:

Attached is a copy of a letter the Commission received from Gregory Andrick, President of the Michigan Pay Telephone Association (MPTA). In this letter and its attachment, the MPTA cites a number of instances where it believes Ameritech is in violation of either Michigan law or Federal Communication Commission orders. I am interested in Ameritech's response to the MPTA's concerns. I am most interested in this response being technical in nature and not a legal brief prepared by Ameritech's legal department. At this point in time I am interested in determining exactly what Ameritech's tariffs offer and what they do not offer. A legal argument pertaining to whether or not an offering needs to be made should be saved for if and when this matter proceeds further than my current inquiry.

Please provide your written response to me within ten days of receipt.

Sincerely,

William J. Celio, Director
Communications Division

cc: Chairman Strand
Commissioner Shea
Commissioner Svanda
Bart Lewin - MPTA
Gregory Andrick - MPTA